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Signed and Filed: April 16, 2020

DENNIS MONTALI  
U.S. Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

- and -

PACIFIC GAS AND ELECTRIC  
COMPANY,  
Debtors.

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND  
363(b) AND FED. R. BANKR. P. 9019 APPROVING  
(I) DEBTORS' AGREEMENT AND SETTLEMENT  
WITH PEOPLE OF THE STATE OF CALIFORNIA  
AND (II) GRANTING RELATED RELIEF**

☐ Affects PG&E Corporation

☒ Affects Pacific Gas and Electric  
Company

☐ Affects both Debtors

\* All papers shall be filed in the Lead  
Case, No. 19-30088 (DM).

1           Upon the Motion, dated March 23, 2020 [Docket No. 6418] (together with all declarations,  
2 replies, and supplemental pleadings filed in support thereof, the “**Motion**”),<sup>1</sup> of PG&E Corporation  
3 (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in  
4 possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the  
5 “**Chapter 11 Cases**”), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code  
6 (the “**Bankruptcy Code**”) and Rule 9019 of the Federal Rules of Bankruptcy Procedure  
7 (the “**Bankruptcy Rules**”), for entry of an order (i) approving the Plea Agreement and Settlement,  
8 annexed to the Motion as **Exhibit A**, and the undertakings described therein (collectively, the “**Butte**  
9 **County Agreement**”), entered into between the People of the State of California, represented by the  
10 District Attorney of Butte County (the “**Butte County DA**”), and the Utility to settle and resolve the  
11 criminal prosecution and investigation of the Utility arising from the November 8, 2018 Camp fire (the  
12 “**Camp Fire**”), and (ii) granting related relief, all as more fully set forth in the Motion; and this Court  
13 having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157  
14 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order  
15 24 (N.D. Cal.), and Bankruptcy Local Rule 5011-1(a); and consideration of the Motion and the requested  
16 relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court  
17 pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found and determined that notice of the  
18 Motion as provided to the parties listed therein is reasonable and sufficient, and it appearing that no  
19 other or further notice need be provided; and this Court having reviewed the Motion and the Brian  
20 Declaration; and the Court having reviewed the limited objection and reservation of rights filed by the  
21 Tort Claimants Committee with respect to the relief requested in the Motion [Docket Nos. 6690 and  
22 6713] and the joinders thereto [Docket Nos. 6717 and 6730]; and the Court having issued a *Tentative*  
23 *Ruling Regarding Motion to Approve Settlement* [Docket No. 6740]; and this Court having held a  
24 hearing on the Motion on April 14, 2020 (the “**Hearing**”); and this Court having determined that the  
25 legal and factual bases set forth in the Motion and the Brian Declaration establish just cause for the relief  
26 granted herein; and it appearing that the relief requested in the Motion represents a sound exercise of

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27 <sup>1</sup> Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms  
28 in the Motion or in the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization*  
dated March 16, 2020 [Docket No. 6320] (the “**Plan**”), as applicable.

1 the Debtors' business judgment and is in the best interests of the Debtors, their estates, creditors,  
2 shareholders, and all other parties in interest; and upon the record of all of the proceedings had before  
3 this Court, and after due deliberation and sufficient cause appearing therefor,

4 **IT IS HEREBY ORDERED THAT:**

5 1. The Motion is granted as modified herein in accordance with the record of the Hearing.  
6 Any objections, responses, or statements, if any, in opposition to the relief requested in the Motion that  
7 have not otherwise been resolved or withdrawn prior to, or on the record of, the Hearing are hereby  
8 overruled.

9 2. The Butte County Agreement represents a valid and sound exercise of the Debtors'  
10 business judgment and, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy  
11 Rule 9019, is hereby approved in its entirety, as modified as set forth herein and in accordance with the  
12 record of the Hearing.

13 3. The Debtors are authorized to enter into and perform under the Butte County Agreement.

14 4. Notwithstanding anything herein or in the Motion or in the Plan to the contrary, (i) the  
15 \$3,486,950.00 to be paid under the Butte County Agreement on account of the applicable base fine and  
16 related fees, penalties and assessments, and (ii) the \$500,000.00 to be paid under the Butte County  
17 Agreement to the Butte County District Attorney Environmental and Consumer Protection Trust Fund  
18 to reimburse costs spent on the investigation of the Camp Fire (collectively, the "**Butte County**  
19 **Settlement Payments**") shall, in each case, be paid from interest or income actually earned on the sum  
20 of \$10.895 billion of the \$11 billion to be transferred to the Subrogation Wildfire Trust under the Plan,  
21 of which \$10.895 billion (the "**Escrow Funds**") shall be deposited in a separate escrow or similar  
22 account (the "**Escrow Account**") established and owned by the Subrogation Wildfire Trust for the  
23 benefit of holders of Subrogation Wildfire Claims pursuant to terms, and which will be held at a financial  
24 institution, reasonably acceptable to the Ad Hoc Subrogation Group and the Debtors on or about the  
25 Effective Date of the Plan. The Reorganized Debtors shall be solely responsible for the payment of any  
26 and all fees, expenses, taxes or other costs associated with the Escrow Funds and the Escrow Account  
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1 and no such fees, expenses, taxes or other costs shall be deducted from the Escrow Funds (or any interest  
2 or income earned thereon).

3         5.       The Escrow Funds shall be held in the Escrow Account for the lesser of (i) 15 calendar  
4 days, or (ii) the amount of time needed to earn an amount in interest or income on the Escrow Funds  
5 equal to the amount of the Butte County Settlement Payments. At such time as the interest or income  
6 actually earned on the funds deposited in the Escrow Account amounts to at least \$3,986,950.00, the  
7 escrow agent shall make the Butte County Settlement Payments directly in accordance with payment  
8 instructions to be provided by the Butte County DA. Upon the earlier of (i) 15 calendar days following  
9 the deposit of the Escrow Funds into the Escrow Account, or (ii) payment of the Butte County Settlement  
10 Payments as provided in the immediately preceding sentence, all monies remaining in the Escrow  
11 Account shall promptly be paid by the escrow agent to the Subrogation Wildfire Trust. No portion of  
12 the Butte County Settlement Payments shall be paid from the Fire Victim Trust or the Debtors' estates.

13         6.       The Debtors are authorized to take all necessary actions to effectuate the relief granted  
14 pursuant to this Order in accordance with the Motion.

15         7.       Prime Clerk LLC, the claims and noticing agent in these Chapter 11 Cases, is authorized  
16 to update the Official Claims Register with respect to Proof of Claims Nos. 57948, 59642, 65945, 87014,  
17 and 87021 to reflect the terms of the Butte County Agreement.

18         8.       This Court retains exclusive jurisdiction to hear and determine all matters arising from  
19 or related to the implementation, interpretation, or enforcement of this Order.

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21                                 \*\* END OF ORDER \*\*  
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